

**MINUTES OF A REGULAR MEETING OF  
THE TORRANCE WATER COMMISSION**

**1. CALL TO ORDER**

The Torrance Water Commission convened in a regular session at 7:02 p.m. on Thursday, March 16, 2006.

**2. ROLL CALL:**

Present: Commissioners Deemer, Rizzardi, Warner, and White.

Absent: Vice-Chairperson Lew and Chairperson Hoffman.

Also Present: Deputy Public Works Director van der Linden,  
Senior Administrative Analyst Schaich, and  
Metropolitan Water District Director Wright.

**MOTION:** Commissioner Warner moved to grant excused absences to Vice Chairperson Lew and Chairperson Hoffman for the March 16, 2006 Water Commission meeting. Commissioner Rizzardi seconded the motion; a voice vote reflected unanimous approval.

Due to the absence of Chairperson Hoffman and Vice-Chairperson Lew, Commissioner White led the meeting.

**3. FLAG SALUTE**

Senior Administrative Analyst Schaich led the Pledge of Allegiance.

Acting Chairperson White welcomed Water Replenishment District Assistant General Manager and Chief Engineer Mario Garcia as well as Craig Asanuma and Derek Matsushita from Boy Scout Troop 719.

**4. AFFIDAVIT OF POSTING**

**MOTION:** Commissioner Rizzardi moved to accept and file the report of the City Clerk on the posting of the agenda for this meeting. Commissioner Warner seconded the motion; a voice vote reflected unanimous approval (absent Commissioner Lew and Chairperson Hoffman).

**5. APPROVAL OF MINUTES**

**5A. MINUTES FROM FEBRUARY 16, 2006**

Minutes were not available.

**6. NEW BUSINESS**

**6B. PRESENTATION REGARDING UPDATE OF GOLDSWORTHY DESALTER PROJECT**

This item was considered out of order.

Deputy Public Works Director van der Linden introduced the item and introduced Assistant General Manager Garcia who gave a power point presentation regarding the current status of the Goldsworthy Groundwater Desalter Project located at the Torrance City Yard.

Assistant General Manager Garcia provided background information and maps showing West Coast Basin production, pumping patterns, saline plume, and barrier system. He reported that the Goldsworthy Desalter was constructed in 1999, following the West Coast Basin Plume Mitigation Study of August 1992, to try to mitigate the effects of the saline plume. He discussed the 2001 judgment amendment that allowed Water Replenishment District (WRD) to pump groundwater without water rights in the West Coast Basin, noting that in May 2002 deliveries to Torrance began. He stated that Sepulveda Wells 1 and 2 Wells were drilled for the Orduna Desalter but that the project was terminated and the wells capped due to resistance from Central Basin pumpers.

He reported that the Goldsworthy Desalter produces 2,000 to 3,000 acre feet of water per year, and to date has delivered 8,000 acre feet to Torrance. He stated that perforations were originally built in the upper and lower zones of the well in order to draw from the entire section of the aquifer system to maximize production.

In response to Commissioner Warner's inquiry, he stated that an aquifer is defined as an underground water bearing formation that is typically sand or looser gravel, noting that an aquiclude is usually clay.

Assistant General Manager Garcia reported that the 2001 judgment amendment also had an extraction limitation requiring water to have greater than 1000ppm of chlorides; if it dips below that level, it triggers mechanisms that they are required to follow. He explained that to meet this requirement, a packer was installed that divides the well and allows water to be drawn from the lower zone. He stated that after initial success in meeting the 1000ppm chloride requirement, there has been a general decline in chloride concentration as well as production levels.

Responding to Commissioner Deemer's inquiry, he stated that the current depth of the well is 450 to 470 feet.

He advised that if chloride levels fall below 1000ppm for three consecutive months, the Desalter Working Group would need to reconvene. He stated that the packer was deflated in February 2006 and reinflated at the beginning of this month in an attempt to meet the requirement. He discussed potential alternatives that include eliminating the extraction limitation through the Desalter Working Group, leasing or purchasing another party's water rights, developing alternate sources, and shutting down the desalter. He noted that using Torrance's water rights would increase overall operational costs without additional benefit.

In response to Acting Chairperson White's inquiry, he explained that the Desalter Working Group is the Technical Advisory Committee consisting of three pumpers from Central Basin and three from West Basin.

MWD Director Wright discussed the importance of storing water in the groundwater basin in Southern California, noting that elimination of the chloride requirement would be ideal in order to create an emergency supply of water at a local level.

Responding to Commissioner Deemer's inquiry, Assistant General Manager Garcia stated that the filtration system uses electricity. He discussed the possibility of using gasoline or hybrid engines to run the pumps if there is expansion.

In response to Commissioner Rizzardi's inquiry, he discussed maintenance issues that include cleaning the membranes and pumps.

He discussed the possibility of expansion through use of the Sepulveda Wells, noting that they will be conducting a pump test before summer to determine what the chloride levels will be like over an extended period of time. He stated that expansion would include a pipeline to the existing desalter at the City Yard, additional membranes, and use of all three wells to provide flexibility and potentially increase capacity. He concluded his presentation with the desalter's annual operations and maintenance costs.

Commissioner Deemer initiated a brief discussion centered on alternative alignment of water mains from Sepulveda Boulevard to the City Yard as well as alternative energy sources such as wind or solar power.

Assistant General Manager Garcia stated that outside funding sources for the expansion project were being explored and that it was still in preliminary planning stages.

The Commissioner was in recess from 8:04 to 8:11 p.m.

**6A. PRESENTATION REGARDING WATER RATE PROCESS AND COMPARATIVE RATES**

Senior Administrative Analyst Schaich provided an overview on the current Torrance Municipal Water potable water rate structure that includes standard, low-income discount, Exxon-Mobil Oil, and California Water Service rates. He noted that there was no increase from 1996 to mid 2004, and a total 6% rate adjustment for higher water costs since mid 2004. He discussed reasons for this rate stability that include: windfall Exxon-Mobil Oil revenue, rebates from MWD and WRD, minor increases in water costs, and reductions in operating expenses. He discussed the water rate pass through for increased water costs and its impact on the average residential customer of a 1.3% increase. He reported on revenue and other sources of funds, noting that 70.9% comes from general potable water sales. He reviewed operating expenses and capital overlay, noting that over 50% is the cost of water. He discussed actual and projected MWD and WRD water costs.

He stated that Torrance Municipal Water was in the preliminary stages of assessing its rate structure, noting that 90% of revenue comes from rates. He discussed

water rate objectives that would have sufficient revenues to meet operating and capital needs, maintain competitive rates with a high level of service, and have adequate reserves. He stated that ease of administration and comprehension, a conservation based rate structure, incremental adjustments, and a multi-year approach were being considered. He discussed rate considerations that include: revenue and expense options, alternate CIP programs, funding options for CIP programs through bonds, grants, and subsidies from MWD, structure of rates, magnitude of rate adjustments, impact on customer classes, and customer acceptance.

He discussed the proposed conservation based rate tiered structure that would reward consumers who reduce their water consumption, noting that the policy has been adopted by an increasing number of agencies. He advised that it would take one to one and a half years to determine a new rate structure and would require the retention of a consultant, public outreach, active involvement from the Water Commission, and approval by City Council.

He concluded his presentation with a comparative analysis of water rates with agencies in the greater South Bay area as well as the average cost of water compared to other Southern California utilities.

In response to Commissioner Rizzardi's inquiry, he explained that water demand is actually less than it was four years ago due to increased conservation efforts, noting that one land use has been replaced by another.

Acting Chairperson White stated that gradual rate increases would be preferable to a large increase at one time.

Senior Administrative Analyst Schaich stated that there would be a 3% increase in water rates just to cover increased water costs.

In response to Commissioner Warner's inquiry, he explained that they did not gradually increase rates over the last few years because there were not capital and water resource needs that there are now.

## **7. WEST BASIN WATER ASSOCIATION REPORT**

Deputy Public Works Director van der Linden reported on the March 7, 2006 West Basin Water Association meeting. He stated that the Department of Water Resources has introduced a potential facilitator, Jim Waldo, for future conjunctive use meetings and are asking that WRD provide the funding for him. The West Basin Municipal Water District announced that they are dissolving their partnership with the Central Basin Municipal Water District and discussed their Integrated Water Resources Plan to develop local water sources through State funding and grants. He reported that WRD presented a report on the Goldsworthy Desalter.

## **8. MONTHLY DEPARTMENT REPORT**

Deputy Public Works Director van der Linden reported that potable water production was approximately 35% higher and main breaks were 41% lower than the corresponding period for last year.

In response to Commissioner Deemer's inquiry regarding Walnut Avenue Transmission Main (I-83), he explained that transmission mains needed to be 24" to bring the bulk of the water into the City.

**MOTION:** Commissioner Warner, seconded by Commissioner Rizzardi, moved to accept and file the Deputy Public Works Director's Report; a voice vote reflected unanimous approval (absent Commissioner Lew and Chairperson Hoffman).

**9. METROPOLITAN WATER DISTRICT DIRECTOR'S REPORT**

MWD Director Wright reported that on March 13, 2006 he and Public Works Director Beste received a City Makeover Program award to Torrance. He stated that MWD and the Bureau of Reclamation awarded \$20,000 to the Madrona Marsh Preserve for their native garden.

Senior Administrative Analyst Schaich encouraged Commissioners to attend a presentation by Congresswoman Jane Harman on April 15, 2006 at the Madrona Marsh Preserve.

MWD Director Wright announced that he was appointed Chairperson of the Colorado River Oversight Committee that would be involved with Lake Mead storage, the Salton Sea, and weather modification.

Commissioner Deemer initiated a brief discussion on the possibility of extracting minerals from the Salton Sea.

Responding to Commissioner Rizzardi's inquiry, Deputy Public Works Director van der Linden stated that California Water Service was conducting a toilet exchange program through the West Basin Municipal Water District.

**10. ORALS**

**10A.** Commissioner Deemer distributed a copy of a High Country Gardens magazine.

**10B.** A dinner to honor former Water Commissioner Deane Haddon was discussed.

**11. ADJOURNMENT**

**MOTION:** At 9:25 p.m., Acting Chairperson White adjourned the meeting to Thursday, April 20, 2006 at 7:00 p.m. in the West Annex Commission Meeting Room.

Approved as Submitted May 18, 2006 s/ Sue Herbers, City Clerk
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